



MAYOR AND COUNCIL AGENDA

NO. DEPT.: Community Planning and Development Services
STAFF CONTACT: Somer Cross, Planner II

DATE PREPARED: 10/28/05
FOR MEETING OF: 1/23/06

SUBJECT: Discussion of recommendations regarding special development procedures (previously called the "Optional Methods White Paper") to be incorporated into the Zoning Ordinance revision.

RECOMMENDATION: Consider and approve more particular staff recommendations regarding special development procedures to be included in the zoning revision, taken from the optional method white paper.

INTRODUCTION

In September, staff presented the "Optional Methods White Paper," which discussed the special development procedures section of the Zoning Ordinance (Article XII) (see Attachment 1, Optional Methods Terms).

Staff requests the Mayor and Councils' direction to continue to develop these recommendations:

1. To include in the zoning revision the "**Amenity Development Option**" for creative developments, in order to ensure that the City acquires more amenities from development;
2. To reduce the confusion of the multiple processes of approval for the current 6 "Special Development Procedures" into a single process entitled the "**Planned Development Procedure**;"and
3. To continue to consider additional alternative methods of development such as the overlay district and floating zones.

DISCUSSION

Currently, many development standards and requirements are included in the multiple special development options. In addition, the special development options require different approval processes. Because the current six development options were each created to address a particular issue in the City, they are complicated and confusing. A complete discussion on the particulars of these development options is provided in the Optional Method White Paper and attachments thereto.

The proposed direction for the revision, as discussed in the specific recommendations section below, is much easier and intends to accomplish the goals of the City. Specifically the recommendations regarding the **Planned Development Procedure** will provide for clear and consistent processing of applications. There will be a number of additional discussions on the **Amenity Development Option** after tonight, as the revision process proceeds, regarding what will be included as amenities. Through the Zoning Revision Committee, discussions with Mayor and Council and the Planning Commission, and the public hearings to adopt the ordinance, the nuances of the **Amenity Development Option** will be ironed out.

SPECIFIC RECOMMENDATIONS

The following more specific recommendations include 1) new processes for alternative development to base zoning regulations and 2) additional flexible zones to be included in the zoning revision.

1. **Reduce current 6 special development procedures and special Town Center and Rockville Pike Optional Methods of development from the City's zoning regulations and include 2 new methods of alternative development.**

Because the City would like to encourage the use of these options to promote the goal of livability in the City (see "Discussion" above and the Optional Method White Paper for the benefits of special development procedures), these two alternatives have been developed to make the process for approval streamlined and to make the requirements for approval related to the City's goals.

The details of these special development procedures will be addressed in the outline and drafting stages of the revision process. These details include standards to be met for approval and purpose statements of each. The following information is meant to provide more detail and explanation of what each option will include, but is necessarily still very general. From this information, staff recommends that the Mayor and Council direct us to continue developing the detailed regulations to be included in the zoning revision.

a. **What Are the Options?**

- i. **Amenity Development Option (ADO)** – Entitled "Standard Optional Method" in the introductory paper, this special development procedure is permitted in Maryland under Article 66B and can be used to advance the City's "livability" objectives. This type of zoning allows additional development opportunities above the base requirements in exchange for the provision of additional community benefits, over and above what the base district regulations require. The amenities for which development requirement adjustments will be allowed either cannot be regulated (such as the requirement to provide performance venues), or the amenity requirements provided are more than the average development would be willing to provide under standard regulations (such as the expensive burden to provide underground utilities). These allowances can be applied to *both development and redevelopment*, and are, therefore, an ideal option for a mature city like Rockville.
- ii. **Planned Development Procedure (PDP)** - The **PDP will be** a consolidation of the 6 "special development procedures" listed in the current Zoning Ordinance. Unlike the current regulations, this procedure will include a *single* application process that will require input from staff, the Planning Commission, and the Mayor and Council (like the current Planned Residential Unit Development approval process). *Requirements* for approval, however, may vary based on the type of development proposed. Different standards may be included for residential versus mixed use, and/or new development (i.e. "Greenfield development") versus redevelopment. These standards should be presented in the ordinance in as simplified a manner as possible, such as a development matrix. In addition, amenities and development adjustments may be taken from the Amenity Matrix (see Attachment 2) in approving a **PDP**.

b. When will these options be applied?

- i. **Amenity Development Option (ADO)** - For smaller-scale development projects (under 40 acres), to be developed outside the scope of base zoning districts (i.e. residential, commercial, etc. districts) requirements, the **Amenity Development Option (ADO)** is proposed.

The individual areas / zones of the City where the **Amenity Development Option** should be allowed will vary depending on the final base zones to be used. There may be a benefit to allowing certain amenity provisions throughout the entire City. Other amenity options would only be beneficial in and around Metro stops. The particular locations, criteria, and corresponding development adjustments for each amenity requested will be considered in the drafting stage.

- ii. **Planned Development Procedure (PDP)** - For more complex, large-scale development, outside the scope of base zoning regulations, the **Planned Development Procedure (PDP)** is proposed. This process (because the crux of this proposal is to consolidate the procedures for approval that the City currently has into one process for approval) will be used for large-scale developments (anything over 40 acres) which will have a significant impact on the City and which will require the Mayor and Council's input because of the policy decisions for the City necessary in approving such a large development. In other words, this process will be used if a new application for a project in the scale of Falls Grove or King Farm is submitted.

The City of Rockville is a nearly built-out community. The majority of future developments will likely be in the form of redevelopment. The current development options in the ordinance are essentially applicable only to new development. Staff has determined that these options are still necessary to include in the revision for the remaining potential development areas of the City and within the urban growth boundary. Staff, however, would like to consider including more redevelopment regulations in this option.

Like the **Amenity Development Option**, where the **PDP** will be allowed in the City will depend on the final base districts to be used. As this will be a combination of existing development options, the current code allowances will be the basis for these locations. The different kinds of developments – mixed use versus solely residential and/or new development versus redevelopment – will be separated by different requirements based in part on location, but will use only one approval process.

c. Who approves these developments?

- i. **Amenity Development Option (ADO)** – There will be three layers of approval for the **ADO**.
 - Staff will review very minor (small lots with little impact on the community) developments. In return for providing some type of amenity, listed in the Amenity Matrix (see Attachment 2), the development will be allowed to adjust some zoning regulation (such as allowing greater height, higher density, or more signage). The

adjustments and requirements for the amenity will be spelled out in the ordinance. The approval process for the **Amenity Development Option** will be similar to the Use Permit process. If the standards and guidelines are met as part of the application, the approval should be routine in most situations at the staff level.

- The Planning Commission will review minor (medium sized lots with some impact on the community) developments. As with staff approval, the amenity requirements and development adjustments will be outlined in the ordinance. There may be more flexibility in approval and requirements to be applied by the Planning Commission than amenities approved by staff.
- Staff proposes that the majority of these projects will not go before Mayor and Council; although Mayor and Council will be responsible for reviewing, approving, and adopting the list of amenities and development adjustments that will be included in the zoning revision. One consideration for the revision is to include in the amenity list, amenities which lie outside the scope of zoning regulations, such as regional stormwater management facilities or affordable housing. If a developer desires to build a development of the scale permitted in the development adjustments, and in exchange provides any of the amenities that lie outside the scope of zoning, the Mayor and Council would be the best approving body to negotiate for these provisions.
- ii. **Planned Development Procedure (PDP)** - The current approval process for two special development procedures (the Planned Residential Unit Development (PRU) and I-3 Optional Method processes) will be used as the sole approval process for this special development procedure. In particular, the procedure will involve a two-step process of 1) exploratory and 2) detailed applications. As currently is the process for PRU, staff, the Planning Commission and Mayor and Council will be required to review different levels of the application process. Mayor and Council, however, will have final authority for approval of the exploratory application because these developments are of such a size that the Mayor and Council will need to make policy decisions of the impact of these developments on the City.

d. What are the Benefits?

- i. **Amenity Development Option (ADO)** - An amenity development option is an alternative to impact fees, or to the City paying for negotiated amenities from its own pocket. Because the provision of these amenities is voluntary, developers typically do not oppose this requirement as much as they may oppose impact fees.
- ii. **Planned Development Procedure (PDP)** – The ability to develop using a **Planned Development Procedure** will allow the creation of new quality developments in the City (see “Discussion” above and the Optional Method White Paper for the benefits of special development procedures). A single process of review will provide consistency to all planned developments that submit an application to the City. This process will also ensure that the Mayor and Council will approve broad policy implications of these planned developments (e.g. whether the development is in the best interests of the City as a whole) while the Planning Commission and staff decide particular details of the site plan (e.g. where to locate and how large a buffer should be).

e. What are the Burdens?

- i. **Amenity Development Option (ADO)** - Limitations and concerns of applying the **ADO** will vary depending on the type of amenity requested. For instance:
 - With many requirements, the question arises as to how long the amenity must be provided or maintained. For instance, if certain landscaping is required, how long must the developer ensure that that same landscaping remains?
 - The most frequently requested development regulation adjustment for most amenities is likely to be increased density. When determining where certain amenities will be allowed, the City must determine what areas can absorb additional development. Will there be limitations on the number of development adjustments allowed in each area of the City?
 - For this development option to be used, there must be sufficient market activity to offset the cost of providing the amenity and make the option worthwhile to the developer.
- ii. **Planned Development Procedure (PDP)** – The requirements of different levels of application procedure will slow the approval of these developments. In addition, various steps of negotiation with the developer can extend the review process.

f. Examples

- i. **Amenity Development Option (ADO)** - Had the **Amenity Development Option** been in place at the time Congressional South was built, the City could have negotiated for more amenities in the design. For example, new regulations could allow a base two or three-story design for residential buildings (instead of the base four story design allowed under current zoning regulations). To obtain four stories, the City could have required the developer to provide more landscaping in the parking lot. Instead, the City achieved all they could require under current regulations with regard to City amenities of pedestrian easement, landscaping, and other design.

An example of local use of an **Amenity Development Option** is in the Bethesda Central Business District. There, interest in development was created through a combination of zoning density incentives. Development, however, was limited by an imposition of a maximum limit on potential development within the designated area. The County prioritized projects (and made it known that they did so) with a high quality of construction and significant amenities. In addition, the County raised funds to redesign and redevelop the downtown streetscape.

- ii. **Planned Development Procedure (PDP)** - This process would be applied if another application such as Falls Grove or Upper Rock came forward. Unlike the previous applications of this nature, the **PDP** will require more amenities be provided in accordance with the **ADO** chart to allow for the development adjustments requested. Because of the function of a project the size of a PDP and the complexity of the development issues, development regulations allowed to be adjusted and the amenities requested by the City may be different than the **ADO** requirements.

2. **Provide in the revision some alternative methods (floating and overlay zones) to develop land outside of base zoning requirements and Special Development Procedures.**

- a. Continue to consider the incorporation of floating zones, where appropriate.
At this time, only one particular use of this zoning has been considered: neighborhood community centers. This agenda does not go into detail about floating zones, because it is not clear where, or even if, they will be used in the city. How, and even whether, floating zones will be applied and developed will be determined in the drafting stage. (NOTE: Floating zones are distinct zones with their own standards, as opposed to special development procedures where the underlying zone is retained.)
- b. Include overlay zones, where applicable. Overlay zones apply *additional* regulations to certain areas of base zones. Where there is a conflict between the overlay and base zoning requirements, the more restrictive will apply. Where there is no conflict between the two regulation sets, all the overlay and base zone regulations will apply.

Two places have been identified for overlay zoning use. These are the same types of overlays currently applied in the City:

- Historic Districts – In compliance with the current standards for historic district, these regulations will remain the same. The overlay is applicable wherever historic district preservation has been applied for and approved.
- Neighborhood Conservation Districts – These districts will be applied, as requested by the individual neighborhoods. As Lincoln Park neighborhood has recently requested, a neighborhood conservation district can be located and developed in accordance with the determinations made in the neighborhood plan.

CONCLUSION:

In the past thirty years, the City of Rockville has created six different special development procedures through multiple zoning amendments (see Attachment 3 for the particular requirements of each). Many of the policies and goals of these six procedures are the same. The six types are currently separated because of the levels of intensity of development and the various approval processes required. The complexity of six different types, however, may discourage developers from pursuing the type of construction the City wants to encourage.

To facilitate redevelopment, and to ensure the type and quality of development the City wants to see, staff recommends two new special development procedures. The first, **Amenity Development Option**, applies to both new development and redevelopment. If a developer provides X amenities identified through the competing values discussion, the developer will receive Y number of development regulation adjustments. The type and amount of regulatory adjustment will differ depending on the type and amount of amenity provided.

The second alternative, the **Planned Development Procedure**, will be based on existing development procedures. Through this method, new applications for comprehensive planned developments will undergo staff, Planning Commission, and Mayor and Council review and negotiation. The requirements for each development will differ depending on the type of community proposed.

A third alternative is to apply other zoning options in lieu of the base zones. Floating zones, for one, will allow the type of development that the City would like to encourage, but would not be mapped until requested by a developer or a neighborhood. Overlay zoning will apply special requirements on certain districts to protect identified values of the City. Where these zones may be used in the City will not be clear until the characteristics of the other districts to be used in the City have been determined.

These special development procedures and alternative zones will work together to ensure the high quality development and redevelopment in Rockville. Some development alternatives (the **Amenity Development Option** and floating zones) are new to the City. Some alternatives (the **Planned Development Procedure** and overlay zoning) already exist in some form in the current ordinance, but will be reorganized to provide clarity to the regulations. More details will be fleshed out in the drafting stage but this initial direction will be incorporated into the outline stage of the revision.

NEXT STEPS: Review remaining white papers' and issue papers' policy recommendations and proceed with drafting code outline.

PREPARED BY:

Somer Cross, Planner II

APPROVED BY:

Jim Wasilak, Chief of Planning

Date

APPROVED BY:

Arthur D. Chambers, AICP, Director, CPDS

Date

APPROVED BY:

Scott Ullery, City Manager

Date

LIST OF ATTACHMENTS:

1. Optional Method Terms
2. Chart: Amenity Development Option

This chart is provided to explain some of the new terms proposed in the Special Development Procedure Agenda (1/12/06). These terms have changed because the proposed procedures and approval requirements will change in the zoning revision. While the use of this many terms may currently cause confusion, staff believes that the clarification of the differences between the terms will reduce confusion when the revised ordinance is adopted.

Optional Method Terms		
Old Term	New Term	Difference
Optional Method (as the White Paper title)	Special Development Option	Optional Method is only one of a the 6 alternative development possibilities under the current zoning ordinance. To demonstrate that the “Optional Method” paper is meant to discuss all 6 options (not just the one) staff would like to use the term Special Development Option(s). This refers to the ability to develop a property in a manner different from the base zoning requirements, subject to certain review.
Optional Method (as the development alternative)	Amenity Development Option	The current code allows an Optional Method of Development to be used in I-3, Town Center, and Rockville Pike zones. The Amenity Development Option proposed for the zoning revision will be applicable in all zones to some degree. The particular amenities desired and the development regulations to be adjusted (in return for providing the amenity) will depend on the zone where the ADO will be applied.
Planned Residential Unit Development / Comprehensive Planned Development	Planned Development Procedure	The two current methods of special development have two different methods of approval. Staff would like to consolidate the methods of approval for all large-scale developments to one simple method (which will be the same as what is currently applied to the PRU). The new Planned Development Option will have different requirements for approval depending on the type of development requested. In addition, amenities and development adjustments like those listed in the ADO will be applicable to the PDO; however, PDO developments will be of such a large scale that they will require the close review by the Planning Commission and Mayor and Council.

Amenity Development Option								
Identified Policy	City Amenity to be Provided		Development Adjustment Allowed					Location Allowed
	Amenity	Criteria	Density	Signage	Height	Parking	ETC.	
Utilities	Provide underground utilities	TBD	X	Greater number of signs	TBD	TBD	TBD	Town Center / Others
Green Building	Provide green buildings that meet LEED standards	TBD	X	TBD	TBD	TBD	Greater structure massing allowed	TBD
Affordable Housing	Provide greater number of affordable housing (MPDU, Senior housing, Workforce housing) than required	TBD	X	TBD	TBD	TBD	TBD	TBD
Tree Preservation	Preserve trees of a certain age/size determined by City forester	TBD	TBD	TBD	TBD	TBD	Reduced number of plantings required	TBD
Economic Development	Include certain types of development to promote economic development of the City	TBD	TBD	TBD	TBD	TBD	TBD	TBD

Amenity Development Option								
Identified Policy	City Amenity to be Provided		Development Adjustment Allowed					Location
	Amenity	Criteria	Density	Signage	Height	Parking	ETC.	
Parking	Provide fewer parking spaces than required (depends on parking discussion outcome)	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Buffers	Provide greater / better planting than required	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Performance Venues	Provide performance venues	TBD	TBD	TBD	TBD	TBD	TBD	TBD
TBD = TO BE DETERMINED								